

President Bars Covert Aid for Private Groups

Accepts Report On CIA Urging Open Financing

By William Chapman
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President Johnson endorsed a Cabinet-level committee's recommendation yesterday to end secret Government financing of international programs that have been carried out by the Central Intelligence Agency since the early 1950s.

He instructed all Government agencies to heed the recommendation.

The President also announced that he will appoint a committee to study ways of channeling Federal funds openly into these international programs by means of a quasi-public agency. This step, too, was recommended by the CIA review panel.

With one important exception, the committee proposed that no Federal agency should provide covert financial aid to any educational or private voluntary organization.

Thus, in a cautiously worded, 4-page report, the Government drew the shades on an embarrassing chapter of secret intelligence work.

Disclosures of extensive CIA support for private U.S. organizations—labor unions, cultural groups, educational organizations—triggered the committee's investigation.

Group Set Up Feb. 15

Before the intensive review started, the CIA's covert use of seemingly innocuous and vaguely identified front foundations to channel funds to those organizations had been widely publicized. President Johnson set up the committee on Feb. 15.

The committee absolved the agency of any blame for acting without Government supervision.

It said the CIA's support for such organizations as the National Student Association had

been approved in the highest levels of the last four Administrations.

The committee, headed by Under Secretary of State Nicholas deB. Katzenbach, outlined one potential exception to the total ban on covert support. Where "overriding national interests so require," secret assistance could be made available if in each instance approval is given by the Secretaries of State and Defense.

None of these exceptions, the committee said, should involve educational, philanthropic or cultural organizations. Katzenbach said, in answer to questions, that he assumed a labor organization would fit the definition of a group that could receive covert aid under the exception.

No Qualifier Found

The committee said that no current programs it examined could qualify for such a national-security exception.

"At the same time, where the security of the Nation may be at stake, it is impossible for this committee to state categorically now that there will never be a contingency in which overriding national security interests may require an exception — nor would it be credible to enunciate a policy which purported to do so," the committee said.

The report recommended that current CIA assistance be ended "as quickly as possible" without destroying valuable private organizations before they can find new support. It could be ended largely, perhaps entirely, by Dec. 31, the committee said.

The report gave no hint of how the proposed reorganization might affect Cord Meyer Jr., the CIA official responsible for managing the labor and student affairs programs at the center of the recent controversy. Meyer was questioned for weeks about the activities that he administered and the committee's findings were recorded in a lengthy document that, unlike the public recommendations, remained classified.

A CIA spokesman said yesterday: "I can assure you his (Meyer's) position will in no way be affected by this."

Pattern Described

The Katzenbach committee described the pattern of CIA support generally, attributing it to the need after World War II for combatting Communist activity in many international organizations.

Using the NSA as an example, the committee said that student group was formed to represent American youth in international meetings, but from the first lacked private financial support. "Accordingly, the U.S. Government, acting through the Central Intelligence Agency, provided support for this overseas work," the committee said.

The assistance was furnished in accord with National Security Council policies beginning in October, 1951, and with agreement of interdepartmental review committees of the last four Administrations, it added.

The policy was specifically endorsed by a presidential committee in a classified report as late as December, 1960, the committee said.

The committee's report said that a clear policy should be established, "particularly in the light of recent publicity" to meet two responsibilities.

"One is to avoid any implication that governmental assistance, because it is given covertly, is used to affect the policies of private voluntary groups," it said.

"The second responsibility is to make it plain in all foreign countries that the activities of private American

groups abroad are, in fact, private."

President Johnson, in a separate statement, said, "I accept this committee's proposed statement of policy and am directing all agencies of the Government to implement it fully."

Mr. Johnson, however, did not commit himself specifically to the committee's recommendation that a new public-private mechanism be developed to provide funds openly to private groups.

He said the Administration would give "serious consideration" to that proposal. He said Secretary of State Dean Rusk would head another special committee to review ways of providing open support. The new committee will include persons from the executive branch, Congress and private life.

Secretary of Health, Education and Welfare John W. Gardner, and CIA Director Richard Helms served with Katzenbach on the committee that reported yesterday.

As an example of the sort of public-private organization that might take over the job of financing deserving overseas activities, the committee cited the British Council, which administers funds for reference libraries, exhibitions, scholarships, international conferences and cultural exchanges. Most of its members come from private life, although 90 per cent of its funds are from the government.

It also cited as possible models the Indian Council for Cultural Relations and the Swedish Institute for Cultural Relations.

The committee mentioned the Smithsonian Institution as an American example of a private corporation established by Congress and governed by a mixed public-private board.

Any such organization would involve Government funds and probably Government officials, but a premium should be placed on the involvement of private citizens, the committee report said.